ELBIT SYSTEMS REPORTS SECOND QUARTER RESULTS

- EPS Increases 12%; Backlog reaches $714 million -

HAIFA, Israel - August 3, 1999 -- Elbit Systems Ltd. (NASDAQ/NM symbol: ESLTF) today announced results for the second quarter ended June 30, 1999.

Revenues for the quarter ended June 30, 1999 were $104.0 million compared with $100.3 million for the same period in 1998. Net income for the quarter was $7.3 million, or $0.28 per diluted share compared with $6.8 million, or $0.25 per diluted share for the second quarter 1998. Gross profit for the quarter was $28.8 million compared with $27.7 million for the same period last year.

Revenues for the six months ended June 30, 1999 were $210.8 million versus $203.3 million for the same period in 1999. Net income for the first six months of 1999 was $14.4 million, or $0.54 per diluted share compared with $12.9 million, or $0.48 per diluted share in 1998. Gross profit was $58.8 million compared with $56.4 million for the six months ended June 30, 1998.

The Company's backlog of orders as of June 30, 1999 was $714.5 million compared with $710 million as of December 31, 1998. Orders from outside Israel constituted approximately 68% of the backlog as of June 30, 1999. 68% of this backlog is scheduled to be delivered in 1999 and 2000.

Commenting on the results, Mr. Joseph Ackerman, President and Chief Executive Officer said: "We are pleased to report on the continued growth of the company's financial results. This quarter is marked by our activities in realizing our strategy of advancing our growth through mergers and acquisitions. We have completed the acquisition of Cyclone Aviation Products and are nearing completion on the acquisition of U.S.-based International Enterprises Inc. Furthermore, we have entered into the process of due diligence in connection with the potential merger of Elop Electro-Optics Ltd. into Elbit Systems, as previously announced." The Company has declared a dividend for the second quarter of 1999 of $0.07 per share. The dividend will be paid on September 14, 1999 to shareholders of record as of the close of business on September 1, 1999. The dividend will be paid net of taxes and levies to be withheld at the rate of 18.42%.

ABOUT ELBIT SYSTEMS LTD.

Elbit Systems Ltd. is engaged in a wide range of defense-related airborne, ground and command, control and communications ("C3") programs throughout the world. The Company focuses on upgrading of existing military platforms and developing new technologies for defense applications.

Forward looking statements with respect to the Company's business, financial condition and results of operations, in this release are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements, including, but not limited to, product demand, pricing, market acceptance, changing economic conditions, risks in product and technology development, the effect of the Company's accounting policies as well as certain other risk factors which are detailed from time to time in the Company's SEC filings.

ELBIT SYSTEMS LTD.

Condensed Statements of Operations

[U.S. Dollars in thousands, except per share data]

	Six Months Ended		Three Months ended	
	06/30/99 (Unaudited)	06/30/98 (Unaudited)	06/30/99 (Unaudited)	06/30/98 (Unaudited)
Revenues	210,754	203,341	104,039	100,280
Cost of Revenues	151,935	146,988	75,202	72,552
Gross Profit	58,819	56,353	28,837	27,728
Research& Development costs, net	17,393	16,988	8,341	7,347
Marketing and selling expenses	16,016	15,414	7,910	7,606
General and administrative expenses	6,385	6,178	3,241	3,100
	39,794	38,580	19,492	18,053
Operating Income	19,025	17,773	9,345	9,675
Financing income (expenses), net	1,028	350	921	302
Other income, net	70	113	76	69
Income before income taxes	20,123	18,236	10,342	10,046
Provision for income taxes	4,831	4,970	2,355	2,889
	15,292	13,266	7,987	7,157
Company's share of partnership income (loss)	(938)	(408)	(664)	(353)
Net Income	14,354	12,858	7,323	6,804
Basic net income per share	0.58	0.52	0.29	0.28
Weighted average number of shares used in computation (in thousands)	24,899	24,623	25,008	24,633
Diluted net income per share	0.54	0.48	0.28	0.25
Weighted average number of shares used in computation (in thousands)	26,969	26,969	26,537	27,264

ELBIT SYSTEMS LTD.

Condensed Balance Sheet

(U.S. Dollars in thousands)

Assets	06/30/99 (Unaudited)	12/31/98 (Audited)
Current Assets:	62,419	57,363
Cash and short term deposits	87,108	75,953
Trade receivables and others	64,819	66,376
Inventories, net of advances	214,346	199,692
Total Current Assets		
Deposits and long-term loans	17,369	17,375
Long-term receivables and others	114,889	97,361
Fixed assets, net	53,989	39,742
Other assets, net	2,635	0
	403,238	**354,170**
Liabilities and Shareholders' Equity		
Current liabilities	178,703	158,696
Long-term liabilities	56,239	38,017
Shareholders' equity	168,296	157,457
	403,238	**354,170**